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The costs to organisations who are partnering and not addressing the conflict are significant – failed projects, significant budget overspend, public inquiries etc. Put this together with the costs within organisations that are neither Partnering nor addressing conflict and we can quickly see these costs could come close to the current global costs of war. Literally.

Think for a moment about the last time you had a significant difference with someone. It could be you are in conflict with someone right now. Think about the amount of brain space you give it, the schemes you come up with in your head to seek retribution, the time you spend in conversations with others, justifying your position, embedding your assumptions as fact. Do you give as much time and energy to creating something?

Let's look for a moment at the costs within organisations of not embracing conflict.

What would it take for you to see well-managed conflict as a valuable investment with pay-off on the bottom line as well as in higher motivation for everyone involved?

Questions of indifference? I hardly think so.

You're probably aware of the costs incurred due to formal disputes – in legal fees, in employees' and managers' time administering grievances and complaints. Not forgetting the costs of bringing in external companies to arbitrate.

As far back as 1985, the legal expenses alone of corporations in the USA amounted to over 50 billion dollars – four times higher than in 1975. Today, they're much higher. There were more than 115,000 employment tribunal applications in the UK in 2004 – a rise of 17% on the previous year. Many legal firms now actively tout for compensation business – a sure sign that conflict is everywhere and there's money to be made from it! In a survey conducted by the UK Department of Trade and Industry, three-quarters of employers are worried about the financial cost of tribunals. In 2003, 35% of 100,000 tribunal applications might have been avoided if appropriate discussions had taken place beforehand.

You can't afford it

No organisation can afford wasted management time, large tribunal awards, unlimited fines, legal fees and the inevitable damage to reputation, both internally and externally.

The legal fees and other expenses in settling formal disputes probably represent less than 10% of the total cost of conflict to an organisation.

How much could your organisation expect to save by strategically managing its informal conflicts?

Some in the field of conflict management would argue that this figure would sit anywhere between 10% and 50% of the total annual turnover.

Conflict costs employers time, money, employee commitment and reputation. And these are just the costs within an organisation. It costs individuals time, money and health and often impacts on personal relationships outside the work place. You can't afford it. Your people can't afford it. And it goes much wider than that. We only have to refer to the weekend papers to see endless examples of the costs to society when we fail to manage the conflicts between partners. Strikes bringing cities to a standstill, projects over-running by millions, delays to key services due to conflict about the purpose of the job. If society can't afford it, nobody can afford it.

How can we prevent the cost of conflict disabling our organisations and the individuals who comprise them and our wider communities?